

PROCLAMATION BY THE GOVERNOR VETOING AND DIS-

APPROVING HOUSE BILL NO. 519.

REPRODUCED FROM THE
HOLDINGS OF THE
TEXAS STATE ARCHIVES

TO THE HONORABLE SECRETARY OF STATE:

You are hereby advised that I have this the 9th day of April, A. D. 1917, officially disapproved and vetoed House Bill Number 519, passed by the Thirty-fifth Legislature, same being an Act relating to the management and liquidation of insurance companies chartered under the laws of Texas, my reasons being:

After carefully reading this bill it is quite apparent to my mind that it confers entirely too much power upon the Commissioner of Insurance. The bill authorizes an Insurance Commissioner to take charge of the affairs of the Company and appoint a receiver therefor without hearing to the Company. An exercise of this power, thought honestly done, might have the effect to destroy a business though solvent yet temporarily embarrassed. The bill gives the Commissioner of Insurance large discretionary powers which might be exercised to the detriment of the company though it had not in fact violated any law. In other words it permits the Commissioner of Insurance to arbitrarily to say whether a company shall continue in business or not.

The bill also provides that the officers of the insurance companies can refuse to the stockholders the right or permission to investigate the books and records of the company except by the permission of the Commissioner of Insurance. This provision would greatly impair, if not practically destroy all rights and protection which the minority stockholder has in an insurance company. If those in control of any corporation are conducting their business honestly and squarely they will never be afraid of an inspection of the books and records in their charge. It is only the unscrupulous that would want this right denied to the parties at interest. The bill is, therefore, disapproved and vetoed.

Geo. E. Ferguson
Governor of Texas.